

ECONOMIC INTELLIGENCE COMMITTEE

Control No.  
EIC-M-93  
15 August 1961

OK as  
497527  
changed  
029

Minutes of Meeting Held in  
Room 1121, Temporary M Building  
26th Street and Constitution Avenue, N. W.

1000 hours, 15 August 1961

PRESENT:

Dr. Otto E. Guthe, CIA, Chairman  
William A. Smith, Office of the Secretary of Defense  
John W. Easton, Joint Staff  
Bennett V. S. Davis, Department of the Navy  
Lt. Col. Robert Henderson, Department of the Air Force  
Doris S. Whitnack, Department of State  
Baxter Wood, Department of the Army  
25X9A8 [REDACTED], National Security Agency  
Dr. Outten J. Clinard, Department of the Air Force  
Morris H. Crawford, Department of State  
Dr. Edward R. Van Sant, Office of the Assistant Secretary of Defense  
25X1A9a Jerome Forrest, International Cooperation Administration  
[REDACTED] CIA  
25X1A9a [REDACTED], CIA  
[REDACTED], CIA  
25X1A9a [REDACTED] Executive Secretary

APPROVAL OF MINUTES:

1. The minutes of the EIC meeting ~~of 6 July and 1 August 1961~~ <sup>of</sup> <sub>1</sub>  
(EIC-M-92) ~~and 92, respectively~~ were approved.

ANNOUNCEMENTS:

2. The Chairman mentioned that the study on The Strategic Impact of the International Embargo Program on the Sino-Soviet Bloc, being prepared by the Subcommittee on Economic Defense, is proceeding according to schedule. It is anticipated that review of this report by the EIC will be undertaken during the latter part of August so as to meet the requestor's

3. EIC-R18-S2, Vulnerability of the East German Economy to Western Countermeasures, will be disseminated shortly, as will the Survey Listing of Internal and External Economic Research Projects on the Sino-Soviet Bloc and on Selected Non-Bloc Areas (EIC-S-36).

EIC-R14-S11, "SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDER-DEVELOPED AREAS, 1 JANUARY - 30 JUNE 1961":

4. The EIC reviewed page-by-page the draft report of the Working Group, and a number of modifications and changes were suggested and accepted. After EIC-R14-S11 was approved, the Chairman <sup>suggested</sup> mentioned that in the next <sup>issue</sup> ~~edition~~ every effort should be made to keep the coverage of the various recipient countries commensurate with <sup>the</sup> ~~their~~ relative importance. On behalf of the EIC, the Chairman <sup>commended</sup> ~~complimented~~ the members of the Working Group for their efforts in producing a superior and timely report.

5. Mr. Forrest stated that ICA has had considerable inquiry regarding information on repayment of aid by the recipient countries, and suggested that more attention be given to this matter. After general Committee discussion, ~~in which the point was made that not much information is available on the subject~~, the Chairman directed the Working Group to take cognizance of the matter and suggested that, whenever <sup>sufficient</sup> ~~data~~ <sup>become</sup> ~~was~~ available, an article ~~might~~ be prepared for one of the current publications.

6. The Chairman suggested various ways <sup>for shortening or reducing the</sup> ~~in which the 1954 to present~~ <sup>& detailing from 1954 to the present the status of projects initiated through us</sup> the recapitulation table<sup>s</sup> in the Statistical Appendix, <sup>summarizing</sup> ~~the~~ Bloc credits and grants to individual underdeveloped countries, ~~could be shortened.~~ It was the consensus of the Committee that these tables are too valuable in their present form to be drastically changed and, after considerable discussion, the Chairman directed the Working Group to explore the feasibility <sup>of using mechanization in the processing of this information and</sup> of publishing these tables separately a few weeks after the preparation of the Semiannual